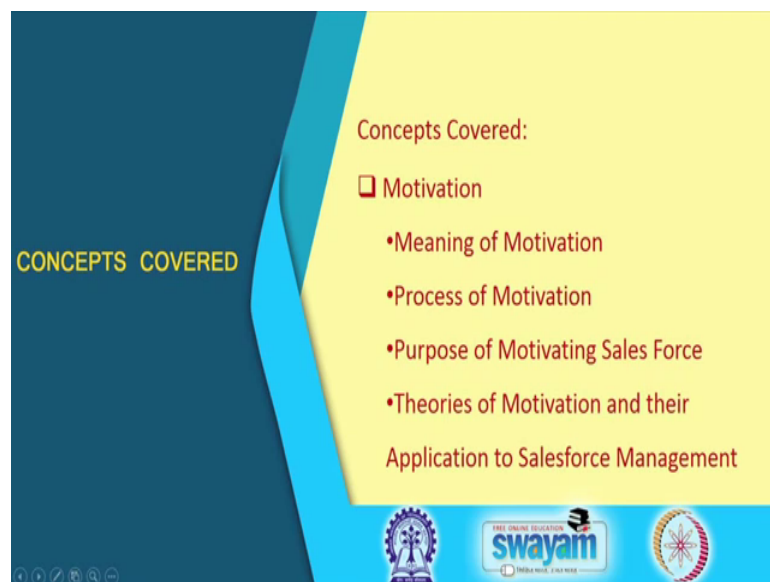


Sales and Distribution Management
Prof. Sangeeta Sahney
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Lecture – 27
Sales Force Management: Motivation

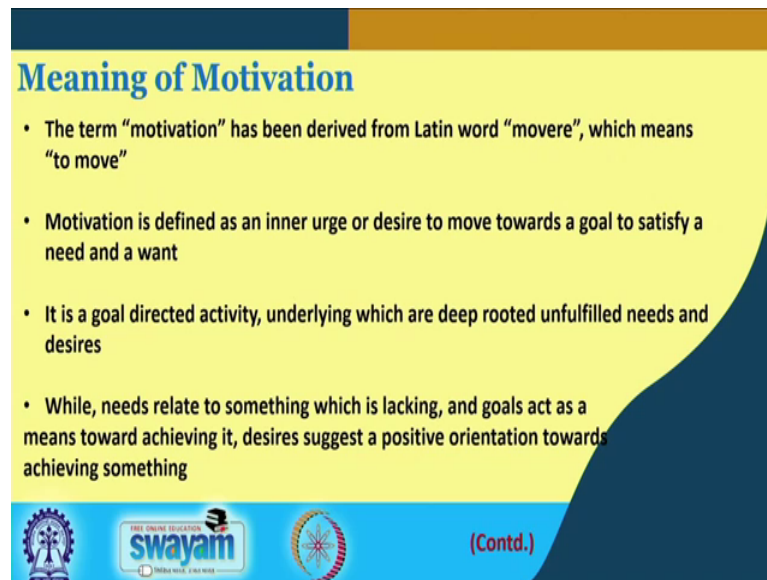
[FL]. Today we will be beginning with our next lecture on our course in Sales and Distribution Management this is lecture 27 which is the second lecture in the 6th module of our course and the topic we shall be covering today will be Motivation. The motivation is again a part of Sales Force Management and the different topics that we shall be covering in this particular discussion are as follows.

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The meaning of motivation, the process of motivation, purpose of motivating a sales force and the various theories of motivation and their application to sales force management. So, let us now begin our discussion on this particular topic.

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Meaning of Motivation

- The term “motivation” has been derived from Latin word “movere”, which means “to move”
- Motivation is defined as an inner urge or desire to move towards a goal to satisfy a need and a want
- It is a goal directed activity, underlying which are deep rooted unfulfilled needs and desires
- While, needs relate to something which is lacking, and goals act as a means toward achieving it, desires suggest a positive orientation towards achieving something

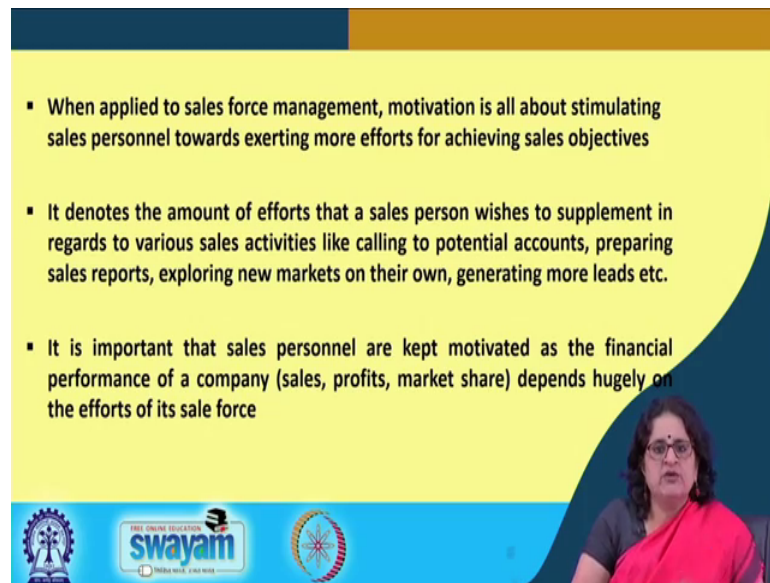
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Now, the term motivation has been derived from the Latin word movere which means to move and so we define a motivation as an inner urge or a desire to move towards a particular goal, so that a particular need or a want can be satisfied. So, hence motivation is a goal directed activity underlying which are deep rooted and unfulfilled needs and desires. And while needs relate to something which is lacking the goals act as means towards achieving it and the desires suggest a positive orientation towards achieving something.

So, when we talk about motivation we say that it is an inner urge to move towards a particular goal, it is an inner urge to move in a particular direction to achieve a particular goal, so that a need or a want can be satisfied. Now we as human beings we all need to be motivated and motivation is something which is an absolute must for any activity to occur, even if we feel thirsty we have to get up and you know go to the you know the refrigerator and pull out a bottle of water. So, that and have the water, so that we are thirst hest can be quenched.

So, again we get motivated to get up from wherever we are sitting and going to the refrigerator to a fetch a you know glass of water for us only and only because there is a need. So, hence we say that you know when we talk of motivation it is an inner urge or desire to move towards a particular goal to satisfy a need or want.

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- When applied to sales force management, motivation is all about stimulating sales personnel towards exerting more efforts for achieving sales objectives
- It denotes the amount of efforts that a sales person wishes to supplement in regards to various sales activities like calling to potential accounts, preparing sales reports, exploring new markets on their own, generating more leads etc.
- It is important that sales personnel are kept motivated as the financial performance of a company (sales, profits, market share) depends hugely on the efforts of its sale force

Now, when applied to sales force management motivation is all about stimulating sales people towards exerting some effort towards achieving these sales objectives. Now the sales objectives here would be of course, could be earning sales revenues for the company, could be you know earning new customers for the organization, could be retaining older customers to be you know entering into good CRM practices.

Calling on you know clients with follow up calls calling you know up your channel partners or trade channel partners you know and seeking customer feedback. Any and all of these could be the different sales objectives or the sales activities which sales persons must perform and so in the case of sales force management motivation is all about stimulating the sales people towards exerting more efforts.

Now, while all sales people have their targets have their goals they have the you know clearly laid out tasks and activities which they must perform, you we always need a motivational system in place so who as to be able to encourage them not only to achieve their goals, but also to it to work harder and achieve something even better that then what has been actually prescribed or predetermined for them.

So, a motivation here denotes the amount of efforts that a salesperson wishes to supplement in regard to various sales activities like calling to potential accounts, preparing sales reports exploring new segments new markets new customers on their own generating more leads. So, in order to for this you know in order to put in it so in

order to ensure that the salesperson puts in so much of efforts, it is very important that there is a you know system in place which takes into care you know the various motivational aspects.

So, that the employees in the organization can be kept motivated at their workplace they can they not only are you know keen on achieving their objectives, but also keen to achieve something more for the betterment of the organization. So, motivation is all about stimulating sales people towards exerting more efforts for achieving sales objectives and it denotes the amount of efforts that a salesperson will wish to supplement in regard to the various other activities which he has been interested with. Now it is important that salespeople are kept motivated as financial performance of an organization hugely it depends on their efforts.

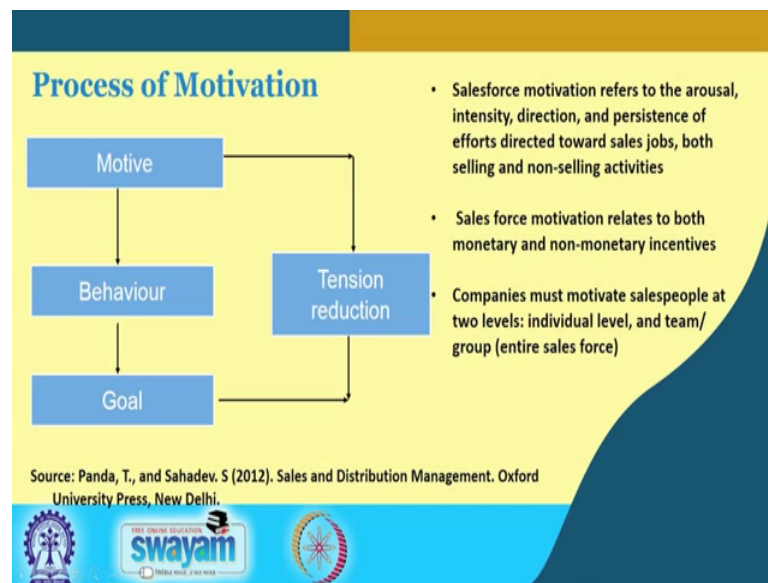
When we talk about motivation I just mentioned about needs and here when we talk about needs and wants we would like to differentiate between the two. Now need is a state of felt deprivation while you know want is a desire for a specific satisfier so and these needs could either be physiological in nature or they could be psychological in nature. Physiological needs a biogenic needs they arise out of our you know physiology and they would be same for everybody because, as human beings we all have you know similar you know physiologies and so the needs that arise from them are also similar. These relate to you know need for food or you know the hunger need or thirst you know oxygen to breathe sleep rest, so these are all needs which arise from our physiology.

Apart from that we have something called psychological needs, we also call them psychogenic needs and these are the needs which relate to some aspects of person psychology. And for example need for esteem need for status, you know power these are things which arise out of our psychology and all of us as individuals as human beings we differ in the psychological needs. Now whether it is physiological needs or whether it is psychological needs human beings are driven towards action only and only when such needs exist and in the case of sales force management again a sales person who has been given the responsibility of achieving his targets would only and only you know we driven towards them.

If he has these if he needs to satisfy these physiological and psychological needs and so it is very important that organizations design such you know motivational plans which

keep their people motivated. Now for this it is important that the sales managers and the see sales executives understand what motivates the sales force is it a more of the physiological needs or is it more of the psychological needs or how should these needs be met again would depend upon whether you know the motivational plan offers financial incentives or whether it offers non financial incentives. So, this will we will be talking about this in little more detail as we proceed.

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Now, when we talk about motivation let us first discuss the process of motivation, as I said the sales force motivation here refers to the arousal or the intensity or the direction and the persistence of efforts towards sales jobs and both the sales jobs will be both selling activities as well as non activity. So, salesperson, sales force motivation here refers to arousal intensity direction and persistence of efforts directed towards sales jobs both selling and non selling activities. Now again sales force motivation relates to both monetary and non monetary incentives and companies must motivate their suites people at 2 levels.

One at the individual level as the sales based on the sales persons own productivity and performance in the field and to you know the team or the group level which would be in terms of the entire sales force being rewarded of you know by the organization to give them motivated. So, before we go into this let us first briefly discuss the process of

motivation, it starts with a motive as I said in and that leads to an inner urge to move towards a particular goal.

Now this inner urge would be mean you know meant towards an action or a behavior, so the motive leads to a behavior on our power part so as to be able to reach a particular goal until and unless the goal is achieved the person remains in a state of tension. A small example with respect to you know a general example and something again and also given example related to the sales force and marketing scenario.

For example you enter your home in the afternoon you know it is a hot summer day and you enter the home and you are very thirsty, if somebody opens the door for you at home and wants to talk something or tell you something you just do not want to listen to anything or hear anything and you just want to rush to the nearest you know what bottle or the refrigerator or you know then the thermos flask which is lying there anything there just to pull out some water fill it in the glass and you have the water, until unless you have the water your mind is in a state of tension. If somebody wants to talk to you or interrupt you; you just would not mind telling the other person oh please let me first have a glass of water and it is only then that I listen to what you want to say.

So, because if that particular need a creates an that leads to an inner urge in you to behave in a particular manner and this behavior relates to you know attempting towards getting water, glass of cold water which becomes your goal and once you have this water your need is satisfied and your hung your thirst you need is satisfied and the kind of tension that you are going into or the kind of you know the reaction which you show before you had the water gets reduced and after you have the water you feel you are in a state of rest and came.

Similarly in the case of her sales and marketing scenario when targets are given to a particular salesperson and it is an you know the it is towards suddenly a salesperson realized that he is not being able to meet the targets and that is there is about just a few days left. It actually a makes him put in more effort with respect to both selling activities, non selling activities and he goes out of the way putting in behaviors, so as to will to reach the target or reach the goal until unless the goals are achieved or the sales target is achieved he remains in a state of tension, because he feels that if targets are not achieved he may either be you know reprimanded or he may be penalized or he may be even asked

to leave the job. So, that perceive into a huge amount of stress and huge amount of tension.

Now here it is a fear which makes him act companies when ensured that it is not a fear factor which must make people react. In fact, it should be more of a reward factor which should make people move you know strive towards attaining certain goals and again if we continue with this example we will see that if there is a sales target and there is a time period within which the sales target is to be achieved and also there is an incentive linked to productivity and performance.

In that case the salesperson would be hugely motivated you know to you know meet clients, to make presentations to and we will put in all efforts to close the sale so that he would be able to meet the targets, he would be able to meet the goal and intertwined with the goal would be a reward system either at the individual level you know at his own based on his own productivity or at the group level which would be based on the teams effort or the you know overall reward system in place for the organization wide sales force which he also would get a share of.

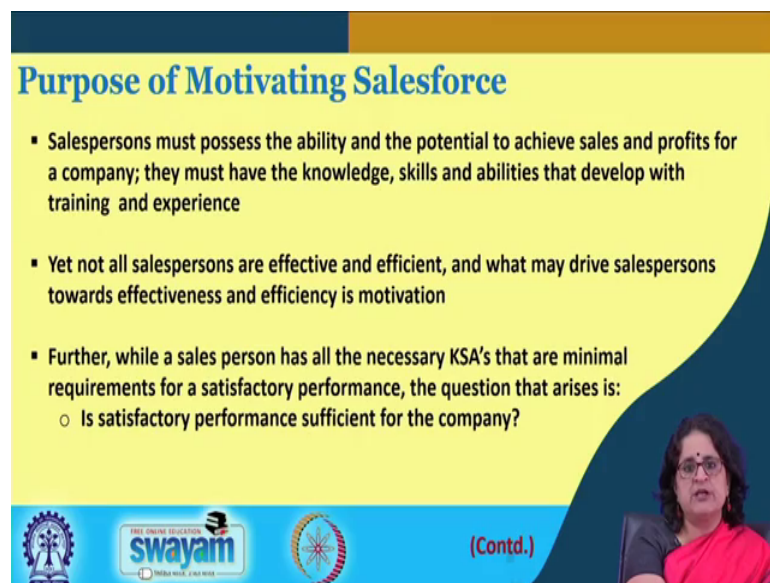
So, the motive here you know as a target is set he would be motivated to achieve that goal only and only when there are incentives attached to it and he would put in all kinds of efforts to be able to get the sale or get the target. So, the motive here will lead to a behavior on his part to act, to put a huge amount of effort to call upon customers to call upon prospects to make presentations, give demonstrations and close the sale also to follow up with existing customers and clients address their you know demands. You know address their grievances if any so that he can you know have good interpersonal, good customer relations with them and then he can also sell more to them.

So, in this way he will be able to reach his goal or his target and once the period is over or once the particular specified time period within which he is supposed to earn the sales is over and he is able to achieve the target he would be you know in a state of calm it would reduce his tension. So, when and how will this happened as I said it should not be something which is based on fear, but it is something which is based on reward factor and companies must motivated sales people both at the individual level, so that they end up being good performers and individual productivity can be enhanced.

It should also be at the team or the group level where the salespeople work together in a team and share the rewards which have been stipulated by the organization. Overall the organization must earn profits, so that there is a gain sharing and a bonus with everybody and the entire sales force can be rewarded. So, sales force motivation here can relate to both monetary and non monetary incentives as you will see later, monetary being more in terms of you know the commissions, the incentives and other benefits.

And non monetary being in terms of recognition, promotions, titles you know opportunities for growth and advancement in the career. So, if company is born they says persons to perform well and perform more than what is actually desired, it is very important that sales force motivation is addressed and I that would mean that you know there the people are kept motivated to perform both they are selling and non selling activities.

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Purpose of Motivating Salesforce

- Salespersons must possess the ability and the potential to achieve sales and profits for a company; they must have the knowledge, skills and abilities that develop with training and experience
- Yet not all salespersons are effective and efficient, and what may drive salespersons towards effectiveness and efficiency is motivation
- Further, while a sales person has all the necessary KSA's that are minimal requirements for a satisfactory performance, the question that arises is:
 - Is satisfactory performance sufficient for the company?

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Now, what is the purpose behind Motivating Sales Persons, sales persons we all know are you know hugely responsible for earning sales for a company profits for a company market share also they have a big role to play in managing customer relations, also managing relationships with the you know channel partners or the marketing in debilities.

So, they must possess the ability and potential to achieve sales and profits for the company, they must have the knowledge skills and abilities that develop with training

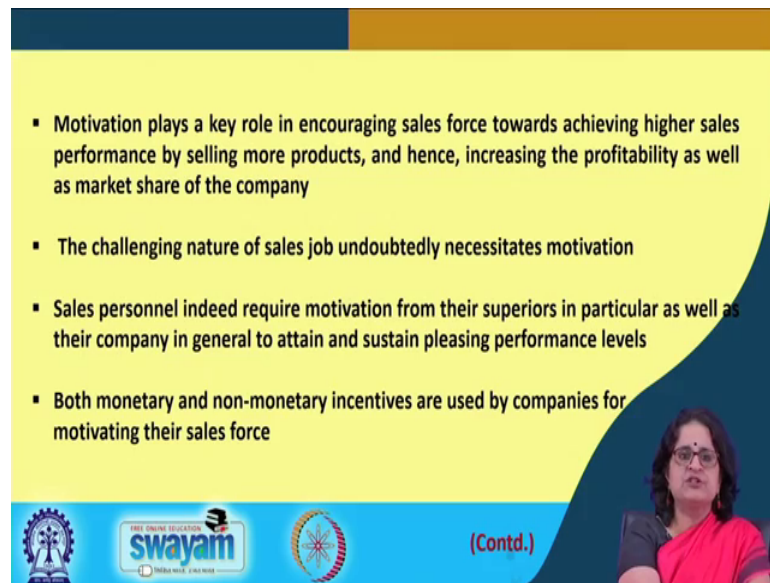
and experience. However, we often see that even have in spite of the fact that the salespeople have the knowledge skills and abilities you know with them and which are also enhanced, either during initial you know days in the company or subsequently through continuous sales training programs as they grow older in the organization.

Yet not all sales persons are effective and efficient and what may drive sales people towards effectiveness and efficiency is motivation. So, also while a salesperson has the necessary cases that are minimum requirements for satisfactory performance, the question that arises is it is satisfactory performance sufficient for an organization. So, one way to keep in mind that the sales persons are hugely responsible to earn sales and revenues for the organization and to inspite of the fact that they may have the knowledge skills and abilities to perform jobs which may you know be enhanced from time to time.

Yet we would see that not all of them perform well or a very effective and efficient and you know so what drives them is motivation and it can also be sometimes realized that even if they have those knowledge skills and abilities they are they prefer to remain average performers and so in order to extract more from them in order to make them more productive, in order to make them more effective and efficient it is essential that they are motivated.

Also companies must understand that and they must understand and realize that and question themselves that is you know satisfactory performance with us or do we need to go further, do we need to be better and in case you know you want your people your sales people to be better performers more effective more efficient, you know in that case if you want them to be absolutely you know very high on performance and it is very important that you have sales force motivation plan in place, so that is the reason why sales force motivation becomes very important.

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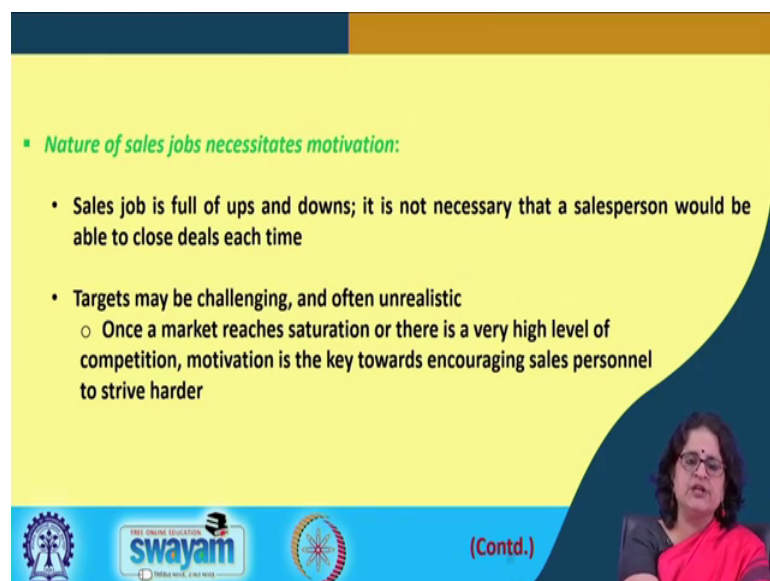
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- Motivation plays a key role in encouraging sales force towards achieving higher sales performance by selling more products, and hence, increasing the profitability as well as market share of the company
- The challenging nature of sales job undoubtedly necessitates motivation
- Sales personnel indeed require motivation from their superiors in particular as well as their company in general to attain and sustain pleasing performance levels
- Both monetary and non-monetary incentives are used by companies for motivating their sales force

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Motivation also plays a very key role in encouraging sales persons towards you know achieving higher sales performance not only once but continually and they do so by selling more product and hence increasing the profitability as well as the market share of the organization. As we will see the basic nature of the sales job is something which is very and salespeople absolutely require you know motivation from their superiors in particular as well as the company in general to attain and sustain pleasing performance levels, both monetary and non monetary incentives must be used by company to keep their sales force motivated.

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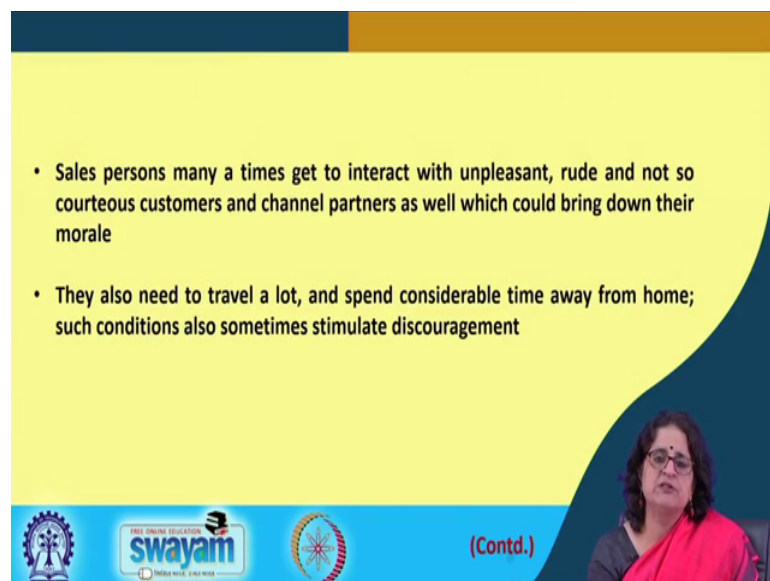
- *Nature of sales jobs necessitates motivation:*
 - Sales job is full of ups and downs; it is not necessary that a salesperson would be able to close deals each time
 - Targets may be challenging, and often unrealistic
 - Once a market reaches saturation or there is a very high level of competition, motivation is the key towards encouraging sales personnel to strive harder

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Now, a little more on the nature of the sales job, now it is you know while all jobs in an organization require motivational plans in place; yet the sales job is such the nature of the sales job is such that it necessitates motivation and special care has to be taken while designing such motivational programs for sales force. Now what is it so special or so unique about the sales function that it requires a special treatment, one sales jobs are full of ups and downs it is not necessary that a sales person would be able to close deals each time. He may be making presentations, he may be you know even making you know answering queries or addressing objections in a very you know nice manner. Yet it may be so that he does not he is not able to close the sale sometimes targets are very challenging.

We have discussed earlier that goals or targets may be difficult, but they have to be realistic but sometimes what happens is targets are not challenging and often unrealistic and once a market reaches a saturation point or there is huge amount of competition in the market you know it is very difficult to get sales you know without you know motivating the sales force in a very you know in a very significant manner. So, once a market reaches saturation or there is a high level of competition, motivation is the key towards achieving sales person towards you know trusting them to work harder towards encouraging sales personnel to perform well and encouraging them to work harder.

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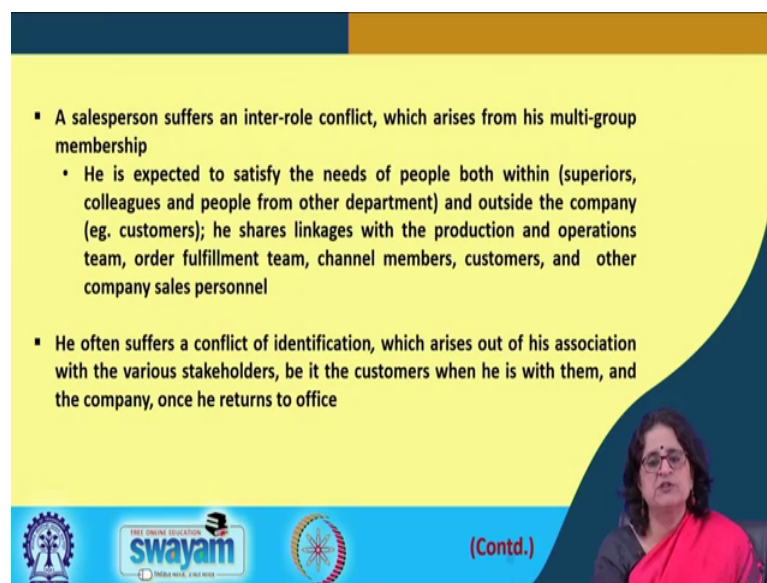


- Sales persons many a times get to interact with unpleasant, rude and not so courteous customers and channel partners as well which could bring down their morale
- They also need to travel a lot, and spend considerable time away from home; such conditions also sometimes stimulate discouragement

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Now a salesperson many a times get you know you have to interact with such people who or such clients who are rude, unpleasant you know I am not so courteous they can be sometimes very harsh also on the sales person and so this would you know bring down the morale of the sales force. Salesperson also need to travel a lot and spend considerable amount of time away from home and such conditions also sometimes you know stimulate discouragement.

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- A salesperson suffers an inter-role conflict, which arises from his multi-group membership
 - He is expected to satisfy the needs of people both within (superiors, colleagues and people from other department) and outside the company (eg. customers); he shares linkages with the production and operations team, order fulfillment team, channel members, customers, and other company sales personnel
- He often suffers a conflict of identification, which arises out of his association with the various stakeholders, be it the customers when he is with them, and the company, once he returns to office

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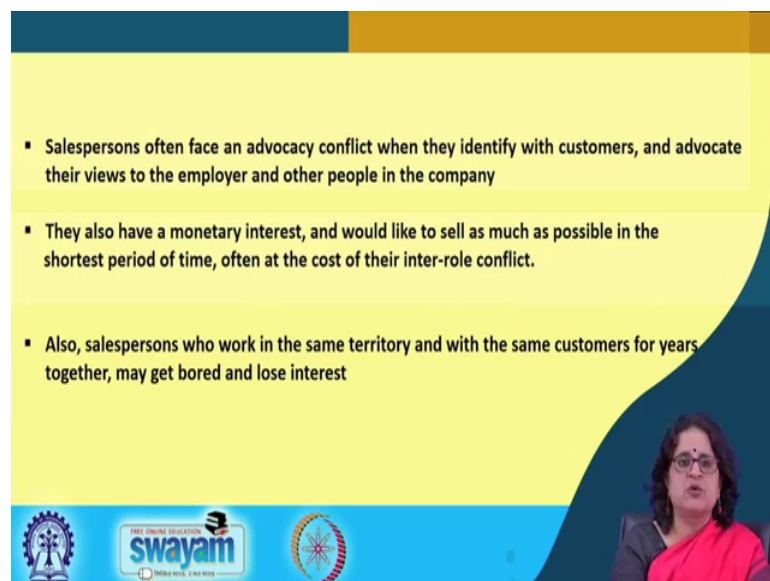
Further a salesperson also suffers different kinds of you know conflicts, one of the very important we know worry very common conflicts that he faces is an inter rule conflict which arises from his multi group membership. One he sat he is expected to satisfy the needs of the people both within the organization and outside the organization, within the organization he has to please his superiors, his colleagues and people in other departments outside the organization he must satisfy and please the customers. So, he shares linkages with all the production operations team, order fulfillment team, with the channel partners, with customers and other company salespeople and in the interest of all of these various stakeholders may not be congruent to each other.

So, but here the sales persons job is to please everybody and he keep everybody happy, the sales person often suffers a conflict of identification which arises out of his association with the various stakeholders be it customers when he is with them or the company once he returns to office. So, you know while he is in the field he needs to

empathize with the customers, he needs to understand his customers his now it has to be you know you know nice to their men he has to identify with their problems and issues. But while he is in the organization while he is in back in the company while he gets back to office in the evening he has to then you know think more as an employee rather than you know as a person who should empathize with the customers. So, here he has to think in line with the company objectives he has to think in line with what superiors are saying or what his colleagues are saying and so he often suffers a conflict of identification, where his roles change both outside the organization and within the organization.

Also the salesperson himself may be a customer and this again creates a problem where he has to feel and understand whether he should you know act and empathize more with the customer or he must act more like an employee of the organization and empathize with the interest or look into the interests of the company.

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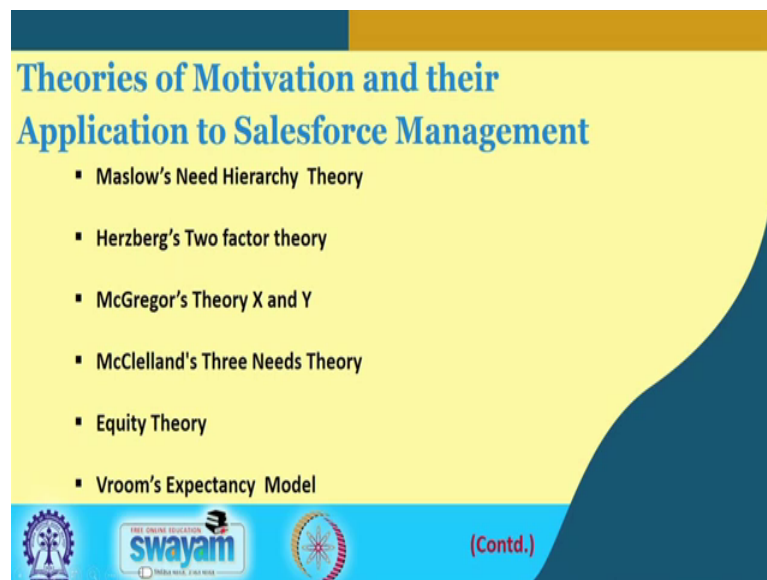
- Salespersons often face an advocacy conflict when they identify with customers, and advocate their views to the employer and other people in the company
- They also have a monetary interest, and would like to sell as much as possible in the shortest period of time, often at the cost of their inter-role conflict.
- Also, salespersons who work in the same territory and with the same customers for years together, may get bored and lose interest

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Further salesperson also face an advocacy conflict when he identifies with customers and advocates they are used to the employer and to other people in the organization. He also has a monetary interest always and would like to sell as much as possible in the shortest period of time. And often at the cost of his interval conflict, he you know he may realize that there is a product which is not very good or it suffers you know quality issues or service weaknesses with the product yet. He must hide this information because if he is open about it he may known people to close the sale.

So, he may hide product limitations and this may be something which may hurt his conscience as he is not being very open and transparent with the customer. Also the sales persons who work in the same territory or with the same customer for years together may get bored and lose interest in the sales job entirely.

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So, there are all of these issues are such which actually can be demotivating and it requires you know the company needs to address issues of motivation, so that the you know the salespeople are kept motivated on the job. Now the nature of the job is such which is challenging there are lot of conflicts which he face which respect to internal conflict, identification conflict or advocacy conflict. He also has to take into care you know the interests of the various stakeholders and he also has his own conscious which may sometime you know make him create problems for him where he may be have to do certain things which his conscious does not allow. Because if he does not you know do them he actually harms the interests of the organization or he goes against the interests of the organization.

Like for example I said that he may often feel that he is being dishonest by hiding details about a certain product and it is weaknesses yet he must sell the product and so he hides this information. So, in all of these cases it is seen that the salesperson you know often faces dilemmas, he faces challenges and he make ultimately get demotivated until unless there is a reward system in place which will keep him motivated.

Now, reward system again here could be individual or could be team or could be organization based and the rewards here do not essentially mean financial incentives they could also be non financial incentives as we will just you know see. It is important to understand that the reward system which is designed whether by the organization whether financial or non financial is something which the employees of the organization consider to be valuable and attractive.

So, we will discuss this as we go about discussing the various theories of motivation and their application to sales force management. Now to keep employees motivated it is important that you know they are provided with you know either incentives or working country or good interpersonal relations or good working environments or opportunities for growth and advancement. Now all of these are you know motivators, but what motivates a particular person may be very different to what motivates another and it is very difficult to draw out generalizations until unless you know the sales executives understands as I salespeople or a salesperson he will not be able o to identify as to what could be a motivator for a particular salesman and for the people on it you know people like him on similar job positions.

So, before we go into details on that let us discuss some theories of motivation and their application to sales force management. So, we have we shall be discussing these 6 theories which is the Maslow's need Hierarchy theory, Herzbergs two factor theory, the theory X and Y, the McClelland's three needs theory Equity theory and Expectancy theory. So, let us go into these theories one by one.

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Maslow's Need Hierarchy Theory

- Proposed by Abraham Maslow
- Most widely used theory of motivation
- Maslow proposed that within every human being there exists a hierarchy of needs which acts as the guiding force behind motivation
- These needs are Physiological needs, Safety needs, Social needs, Esteem needs, and Self-actualization needs

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So, the Maslow's hierarchy theory is one of the most popularly used theories proposed by Abraham Maslow, you know the theory postulates that every human being you know there exists a hierarchy of needs, which act as a guiding force behind motivation and according to Maslow a human beings have 5 needs physiological needs, safety needs, social needs, esteem needs and self actualization needs. Now these needs are arranged here in a hierarchy and they act as guiding force behind motivation.

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Physiological needs: basic physiological needs relating to hunger, thirst, shelter and other bodily needs

Safety needs: they relate to the protection from any physical and emotional harm; security and protection

Social needs: these needs indicate the need for affection, friendship and belongingness

Esteem needs: these needs relate to recognition and self-esteem

Self-actualization needs: this relates to achieving what one is capable of becoming, achieving our full potential

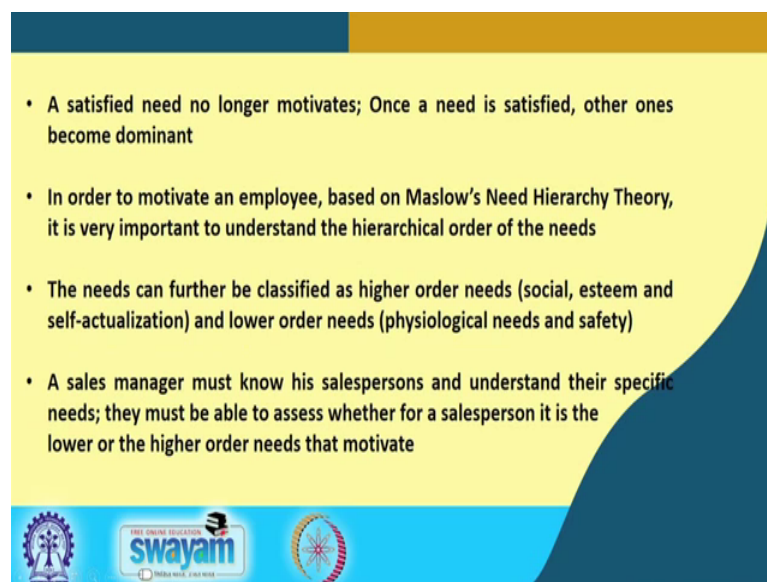
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So, to elaborate on these needs the physiological needs would include the basic physiological needs like you know hunger, thirst, shelter; safety needs pertain to you know the protection from physical and emotional harm in it safety needs actually refer to security, refer to protection.

Then there are social needs which indicate the need for affection friendship belongingness. There is esteem needs which led to recognition self esteem, attention and achievement and the self actualization which again relates to achieving what one is capable of full achieving way when one is at a full potential. So, these are 5 needs which Maslow arranged in the hierarchy and he said that these needs exist in each one of us.

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- A satisfied need no longer motivates; Once a need is satisfied, other ones become dominant
- In order to motivate an employee, based on Maslow's Need Hierarchy Theory, it is very important to understand the hierarchical order of the needs
- The needs can further be classified as higher order needs (social, esteem and self-actualization) and lower order needs (physiological needs and safety)
- A sales manager must know his salespersons and understand their specific needs; they must be able to assess whether for a salesperson it is the lower or the higher order needs that motivate

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As one of the need is satisfied if no longer ceases to be it no longer acts as a motivator, it ceases to act as a motivator and other needs become dominant. So, a satisfied need no longer dominates once a particular need is satisfied it ceases to remain a motivator and another need becomes dominant. So, in order to motivate an employee based on Maslow's need hierarchy it is very important to understand the hierarchal order of needs and sales manager must know his sales person and understand their specific needs, he must be able to assess whether for a salesperson it is the lower or higher order needs that motivate.

Now, what are lower and higher order needs? The physiological needs and the safety needs have been defined as the lower order needs and the social esteem and self actualization needs have been defined as the higher order needs.

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Herzberg's Two Factor Theory

- Proposed by Fredrick Herzberg
- Also called as Motivation Hygiene Theory
- Two sets of factors; one, prevent dissatisfaction: Hygiene; second, lead to Motivation.
 - Hygiene factors are those which, in case, they are absent it leads to dissatisfaction; Motivational factors are those factors which actually motivate
 - Hygiene factors are more extrinsic in nature; Motivational factors are intrinsic in nature
- Hygiene factors: Company policies, supervision, relationship with supervisor and peers, working conditions, salary, status, security
- Motivational factors: Achievement, recognition, the work itself, responsibility, advancement and growth

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Now the second theory which we shall discuss is the Herzberg Two Factor Theory, now the Herzberg's two factor theory was proposed by Fredrick Herzberg and it is also referred to as the motivation hygiene theory. According to Herzberg there two sets of factors one which prevent dissatisfaction the others which lead to motivation, so he clearly demarcated a difference between something which will you know prevent a dissatisfaction and something which will lead to satisfaction. So, he referred to them as hygiene factors and motivation factors.

So, one set of factors which prevent dissatisfaction are referred to as Hygiene factors and the second you know which lead to Motivation are referred to as Motivational factors. Now Hygiene factors are those which in case they are absent would lead to dissatisfaction and Motivational factors are those which actually motivate. Hygiene factors are more extrinsic in nature and pertain to company policies supervision relationship with superiors and peers, work conditions, salary, status it is security etcetera. While the motivational factors are more intrinsic in nature and relate to achievement, recognition, advancement, growth you know responsibility work it is an issue of the work itself.

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▪Sales managers must ensure that the job provides such conditions which prevent job dissatisfaction; this means providing to the sales force good working conditions, decent and fair compensation packages, reasonable and adequate supervision, sound company policies, etc.

▪Sales managers must also ensure that the sales force is provided with opportunities for achievement, recognition, responsibility, growth and the work itself is designed such that it is inspiring in nature; these would act as motivators

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Now, when we apply this theory to sales force management you know sales managers must ensure that the job provides such conditions which prevent job dissatisfaction, this means providing to sales force good working conditions, decent and fair compensation packages, reasonable adequate supervision, sound company policies, etcetera. Sales management must also ensure that the sales force is provided with opportunities for achievement, recognition, responsibility, growth and the work itself is designed in such a manner that it is inspiring in nature because these would all act as motivators.

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Comparing Maslow's Need Hierarchy Theory and Herzberg's Theory

Maslow's Need Hierarchy	Herzberg's Two-Factor Model
Self-Actualization	MOTIVATION FACTORS
Esteem	Achievement, Recognition, Advancement, Work Itself, Growth Potential, Responsibility
Social	HYGIENE FACTORS
Security	Interpersonal Relations, Pears, Supervisors, Subordinates, Company Policy, Job Security
Physiological	Work Conditions, Salary, Personal Life

Source: Still, R., Cundiff, E., Govoni. P., & Puri, S. Sales and Distribution Management, Pearson Education, Manesar, India.

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So, if we compare Maslow's need theory and Herzberg's theory this is how this is the kind of you know image which we will see. Where Maslow's need hierarchy is arranged in you know a heretical manner and right from physiological to self actualization needs and with physiological and security needs being lower order needs and social esteem and self actualization being higher order needs and you have the motivational factors and the hygiene factors you know. So, the motivational you know when we still about the social needs what we have see is more of the hygiene factors and then the esteem and the self actualization we see act more as the motivational factors.

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McGregor's Theory X and Y

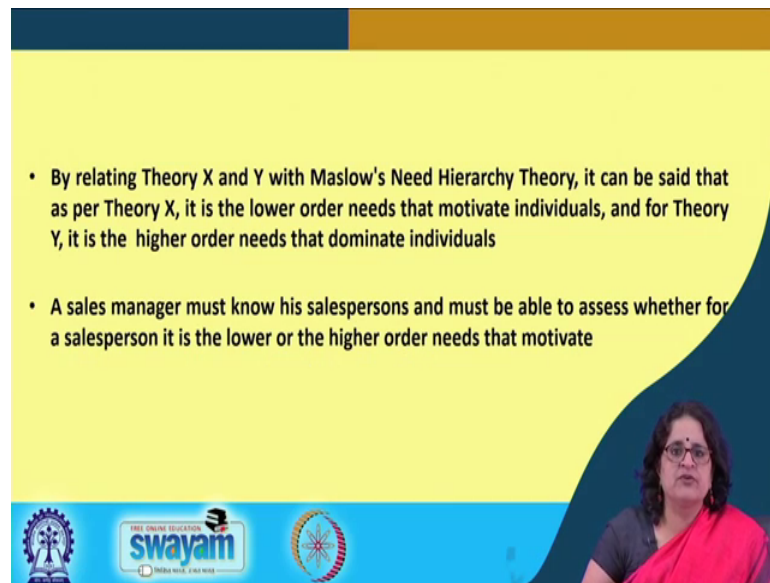
- Proposed by Douglas McGregor
- X and Y denote a distinctive class of employees
 - Theory X – X type of people are those kind of employees who dislike work, need regular direction and need to be coerced to perform
 - Theory Y – Y type of people enjoy their work, are self-motivated, have a desire to perform, and do not need much directives
- Can both these kinds of employees be motivated in similar ways? NO

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The third theory which we shall discuss is the theory X and Y which is proposed by Douglas McGregor and X and Y denote a distinctive class of employees with X type of people being those who dislike work, they need regular attention and direction I need to be coerced to perform, you need to use fear or force on them to make them work. And the Y on the other hand the Y type of people enjoy their work their self motivated, self directed they have a desire to perform and they do not need much of directives.

Now, both these kinds of employees you know need to be motivated differently, because they vary nature is very different. So, if the question is can both these kinds of employees we motivated in similar ways absolutely no they need to be motivated in different ways.

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• By relating Theory X and Y with Maslow's Need Hierarchy Theory, it can be said that as per Theory X, it is the lower order needs that motivate individuals, and for Theory Y, it is the higher order needs that dominate individuals

• A sales manager must know his salespersons and must be able to assess whether for a salesperson it is the lower or the higher order needs that motivate

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So, you know if we relate it to the Maslow's need hierarchy theory it can be said that as per theory X it is the lower order needs that motivate individuals and for theory Y it is the higher order needs that dominate. And a sales person must again know his sales persons and the sorry the sales manager must again know his sales persons and must be able to assess whether for a particular sales person it is the lower or the higher order needs that dominate and accordingly he must design this motivational plans.

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McClelland's Three Needs Theory

▪Proposed by David McClelland

▪Human beings are driven by three kinds of needs, viz., need for achievement (nAch), power(nPow), and need for affiliation (nAff); These three needs influence the behavior of an individual

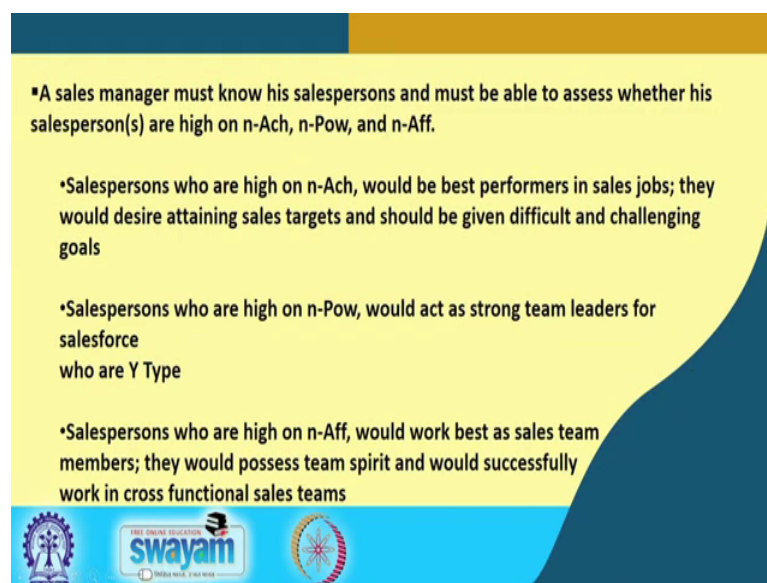
- Need for achievement (n-ach) – This is the need to achieve goals, excel and seek recognition
- Need for power (n-pow) - This is the need to dominate, and control the behaviors of others
- Need for affiliation (n-aff) - This is the need for friendship and belongingness, and to develop harmonious relationships

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The next story is the McClelland's three needs theory which was proposed by David McClelland and him according to McClelland human needs you know can be of 3 kinds and human beings are driven by these 3 kinds of needs which is need for achievement, need for power and need for affiliation, so these three needs influence the behavior of an individual. Now need for achievement is the need to achieve goals and a excel in whatever you do and seek recognition, the need for power relates more to authority which is the need to dominate and control the behavior of others, the need for affiliation is the need for friendship and belongingness and to develop harmonious relationships.

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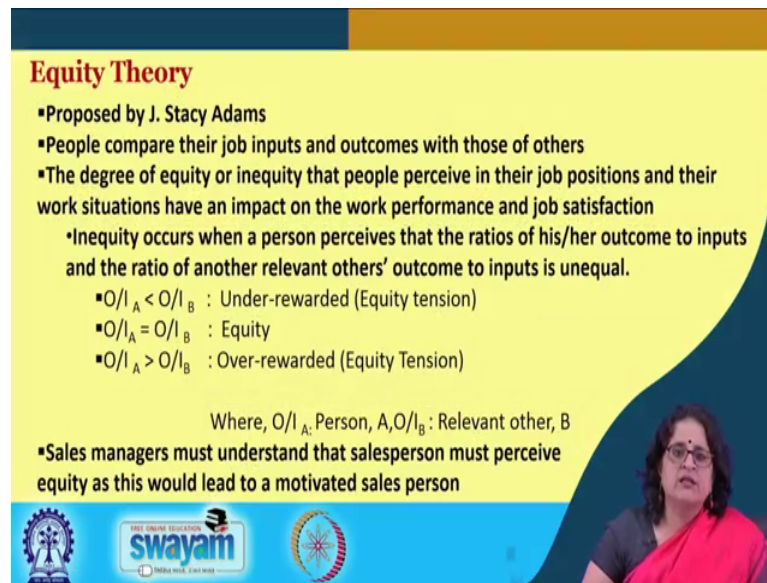
•A sales manager must know his salespersons and must be able to assess whether his salesperson(s) are high on n-Ach, n-Pow, and n-Aff.

- Salespersons who are high on n-Ach, would be best performers in sales jobs; they would desire attaining sales targets and should be given difficult and challenging goals
- Salespersons who are high on n-Pow, would act as strong team leaders for salesforce who are Y Type
- Salespersons who are high on n-Aff, would work best as sales team members; they would possess team spirit and would successfully work in cross functional sales teams

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Now, again here sales managers must know their sales persons and be able to assess whether you know the sales persons a high on need for achievement power or affiliation, so sales persons who are high on need for achievement would be best performers in sales jobs they would desire attaining sales targets and should be given difficult and challenging goals. Those who are high on need for power would act as strong leaders for sales force who are a white type they would be very strong team leaders and sales persons who are high on need for affiliation would work best as sales team members they would possess team spirit and would successfully work in cross functional teams.

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Equity Theory

- Proposed by J. Stacy Adams
- People compare their job inputs and outcomes with those of others
- The degree of equity or inequity that people perceive in their job positions and their work situations have an impact on the work performance and job satisfaction
- Inequity occurs when a person perceives that the ratios of his/her outcome to inputs and the ratio of another relevant others' outcome to inputs is unequal.
 - $O/I_A < O/I_B$: Under-rewarded (Equity tension)
 - $O/I_A = O/I_B$: Equity
 - $O/I_A > O/I_B$: Over-rewarded (Equity Tension)

Where, O/I_A : Person, A, O/I_B : Relevant other, B

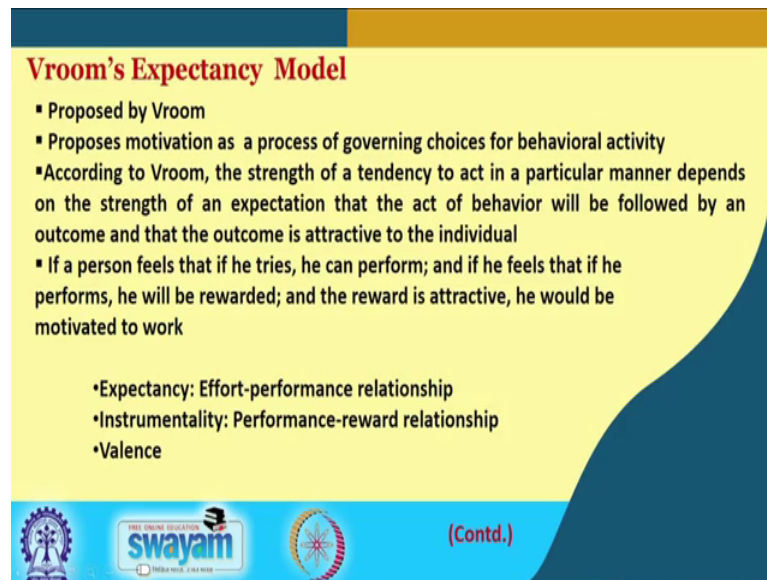
- Sales managers must understand that salesperson must perceive equity as this would lead to a motivated sales person

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The next is the equity theory which is proposed by J Stacy Adams and according to Stacy Adams people compared their job inputs and outcomes with those of others and the degree of equity or inequity that a person perceives would actually have an impact on the performance and; on their work performance and job satisfaction. So, inequity occurs when a person perceives that the ratio of his or her outcome to inputs and the ratio of another person's you know outcomes to inputs is unequal.

So, in those cases whenever they feel that they are be you know there is inequality they would be you know they would gradually get demotivated, they would gradually begin to get you know dissatisfied on the job and so sales managers must understand that sales persons must perceive equity as this would lead to a motivated sales force.


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Vroom's Expectancy Model

- Proposed by Vroom
- Proposes motivation as a process of governing choices for behavioral activity
- According to Vroom, the strength of a tendency to act in a particular manner depends on the strength of an expectation that the act of behavior will be followed by an outcome and that the outcome is attractive to the individual
- If a person feels that if he tries, he can perform; and if he feels that if he performs, he will be rewarded; and the reward is attractive, he would be motivated to work

•Expectancy: Effort-performance relationship
•Instrumentality: Performance-reward relationship
•Valence

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Then we come to the expectancy theory which was proposed by Vroom. Now, it proposes that motivation is a process of governing choices for behavioral activity and according to Vroom the strength of a tendency to act in a particular manner depends on the strength of an expectation that the act of behavior will be followed by an outcome and the outcome is attractive to the individual.

So, you know what he spoke off was expectancy which is effort performance relationship instrumentality which is performs performance reward relationship and balance. So, according to Vroom if a person feels that if he tries he can perform and if he feels that if he performs he will be rewarded and the reward is something which is attractive.

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Effort-performance relationship:
Effort-to-Performance (E→P) Expectancy: the probability perceived by a person that a given effort would lead to performance.

Performance-reward relationship:
Instrumentality (P→O): the degree to which a person believes that performance at a particular level would lead to a desired outcome.

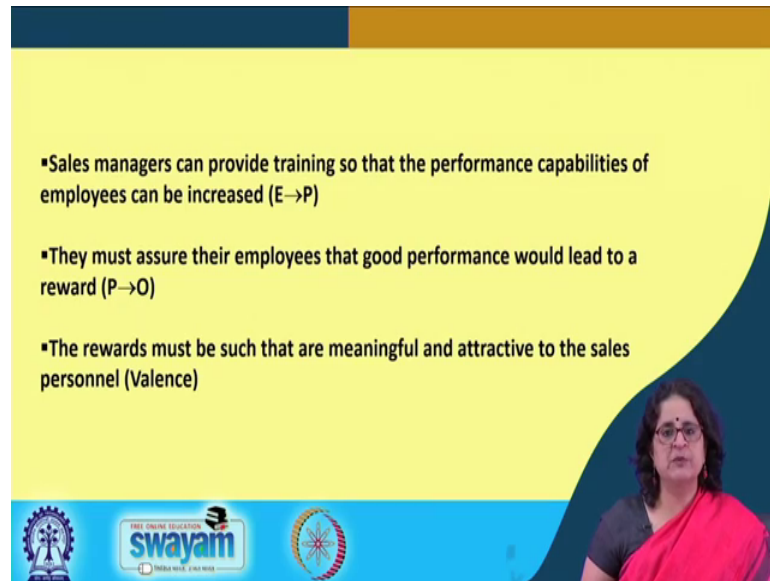
Rewards-personal goals relationship:
Valence: attractiveness of a reward; the degree to which organizational rewards satisfy an individual's personal goals

Source: Still, R., Cundiff, E., Govoni, P., & Puri, S. Sales and Distribution Management, Pearson Education, Manesar, India.

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So, what room referred to was a effort performance relationship which was expectancy and then the performance reward relationship which was the instrumentality and the reward or the person and the reward in the personal goal relationship which was balanced. As I said a little while ago it is very very important that you know motivational packages are such design which are attractive to the sales force and that is where a Vroom rooms theory is applicable where it is not only important that salespeople realize that if they, but if they put an effort they will lead to the targets. And if the targets are achieved it would lead to a reward it is also important that the rewards are something which are attractive and hold value to the sales force.

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▪Sales managers can provide training so that the performance capabilities of employees can be increased (E→P)

▪They must assure their employees that good performance would lead to a reward (P→O)

▪The rewards must be such that are meaningful and attractive to the sales personnel (Valence)

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So, sales managers can provide training so that the performance capabilities of employees can be enhanced, which means the effort would lead to performance relationship sales managers must also assured that employees assured their employees that good performance would lead to a reward which is performance leading to an outcome and the rewards must be such that are meaningful and attractive to the sales personnel, so which we refer to as valence.

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Motivational Mix:

▪Companies must design their motivational programs carefully

▪Motivation mix: the motivational tools may be both financial and non-financial

- Financial tools: Salaries, commissions, incentives, bonus, fringe benefits, sales contests
- Non-financial tools: Promotions, titles and recognition, sales meetings, sales training programmes

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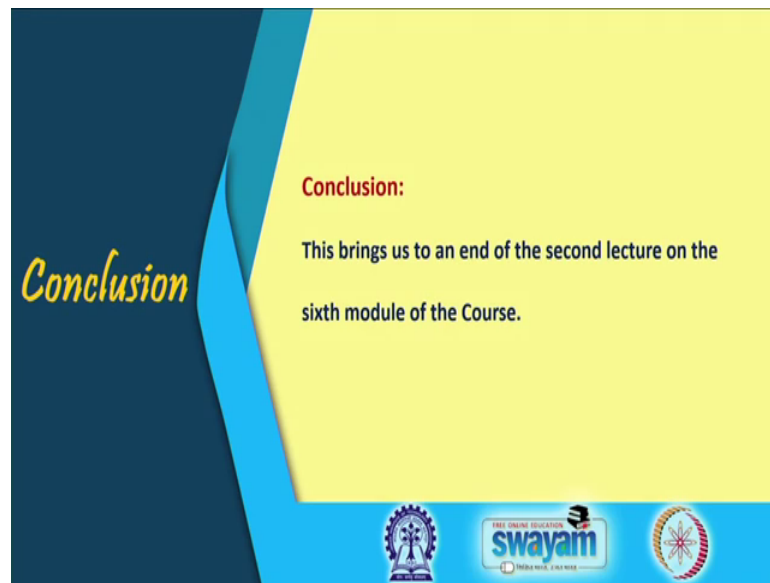
Now, coming to you know the conclusion what companies must decide upon is the motivational mix, they must design their motivational programs carefully and it would the tools could be both financial and non financial. Financial being salaries commissions incentives bonus fringe benefits sales contests and non financial tools could be promotions, titles, recognitions, sales meetings and sales training programs.

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It is important that such motivational plans and practices are adopted which actually will not only help meet us you know sales force interest at the individual level, but also at the team level and the organizational level to keep them motivated at their respective jobs, so these are the references for the particular lecture.

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And with this we come to an end of the second lecture on the 6th module of the course.

Thank you.